DCED-CLGS-30 (6-00)



# Annual Audit and Financial Report

**TOWNSHIP of LIBERTY, ADAMS County** 

for the year 2002



#### Who is to file

Cities - Director of Accounts and Finance
Boroughs - Elected Auditors, Independent Auditor, or Controller
First Class Townships - Elected Auditors, Independent Auditor, or Controller
Second Class Townships - Elected Auditors, Independent Auditor
Home Rule Communities - In accordance with charter

Where to file Cities:	DCED City Council	<u><b>Deadline</b></u> March 1 Stated Meeting during March
Boroughs and Townships:	DCED Clerk of Courts or Prothonotary Municipal Secretary	April 1 April 1 April 1
Home Rule Communities:	DCED Other entities - In accordance with charter	April 1

Department of Community and Economic Development Governor's Center for Local Government Services Commonwealth Keystone Building 400 North Street, 4th Floor Harrisburg, PA 17120-0225 1-888-223-6837 717-787-8169

# Beginning Balance (for informational purposes only)

The January 1st, 2002 beginning balance for the TOWNSHIP of LIBERTY is:

210,836

				Balan	ce Sheet Dece	Balance Sheet December 31st, 2002	25				
			듸	nental Funds		Proprietz	Proprietary Funds	Fiduciary Funds	Acroun	Account Grains	Total
	Assets and Other Debits	General Plant	Special Revenue (including state Lutari Resix)	Capalal Projects	Sherte Service	Retenuse	Internal Service	Thus and Agency	General Fixed Assets	General Fixed Assets Gen Lang Tern. Debx	Merco
100-120	100-120 Cash and Investments	\$ 34,439	\$ 8,247								
140-144	140-144 Tax Receivable										\$ 42,686
121-147	121-147 Accounts Receivable (excluding taxes)										•
148-159	148-159 Other Current Assets										4.
160-169	160-169 Fixed Assets										
180-199	180-199 Other Debits										4
	Total Assets and Other Debits	34.439	\$ B.247					,			

ance Sig 1

								Take Acces	
Liabilities and Other Credits								OCAL ASSELS	42,686
210-229 Payroli Taxes & Other Payroll Withholdings		-			-				
200-259 All other Current Liabilities									•
260-269 Long-Term Liabilities					+				
Other Credits							+		
Total Liabilities and Other Credits 🗘	•				,				•
			-	<b>.</b>		~	-		•
								Total Californ	
Fund and Account Group Equity								Oral Lidbillings	
281-284   Contributed Capital									
-290 Investments in General Fixed Assets					+				-
Z71-289 Fund Balance/Retained Earnings 12/31	\$ 34,439	\$ 8,247					,		•
Total Fund and Account Group Equify	34 430		4		,	-	A	,	42,686
And desired with the same of t	,		,		4	,	-		43 CBC

			סימיכווכו	Statement of Mevenines and Expenditures	alla Expellall	ures			
			Governme	Governmental Funds		Propriet	Proprietary Funds	Fiduciary Fund	Total
	Revenues	General Fund	Specific Revenue (Increding State	Capital Projects	Dear Serva	Briterprise	Internal Service	Furt and Agency	Menurancum Only
301.00	Real Estate Taxes	\$ 28,430	10000						
305.00	Occupation Taxes/Levied under Municipal Code								\$ 28,430
308.00	Residence Taxes/Levied by Cities of the 3" Class								•
310.00	Per Capita Taxes	\$ 4,712							44
310.10	Real Estate Transfer Taxes								
310.20	Earned Income Taxes/Wage Taxes	\$ 104.849							\$ 16,715
310.30	Mercantile Taxes								\$ 104,849
310.40	Occupation Taxes/Act 511								ŧA.
310.50	Occupation Privilege Taxes								4
310.60	Amusement Property Taxes	\$ 745							•
310.70	Mechanical Device Taxes								\$ 745
310.80	Business Privilege Taxes								<b></b>
310.90	Other Local Tax Enabling Act/Act 511 Taxes (Please List)	-		10	er.	4			<del>u.</del>
Ī							,	2	<i>y</i> η €
Ī									
									₩.
	- Cristan Taylor	155 451	4						€45
	A COMMITTER STATE OF THE STATE	TCL'CCT	•				4		

secol St.

	Licenses and Permits								
320.00	All Other Licenses and Permits		  -						ſ
321.80	Cable Television Franchise Fees	4 4 2 3 3 3						*	٠
		ACC,T						4	1,332
	Coral Lacense and Permits Co	4,332	\$ 40-	**	\$ -				:
							,	*	352
	Fines and Forfelts								
330.00	330.00 Fines and Forfeits	\$ 13,116							
						-			2

	Interest, Rents, and Royalties							
341.0	00 Interest Earnings	\$ 3,953	\$ 682					
342.00	\$2.00 Rents and Royalties							4,638
ASSESSMENT AND ADDRESS.	Tratal Inforect Ponts and Douglifice -	-		1				,
	Marin Marin Marin A	cce/c	\$	L/A	*	•	*	4,638

341.00	Interest Earnings	\$ 3,953 \$		685		-			
342.00	342.00 Rents and Royalties							بي	4,638
	Total Interest, Rents, and Royalties 🗅 💲	3,953	*	685 \$	44	-	+	44	1
					-	,	<u>*</u>		4,638
	•								
~	Intergovernmental Revenues								
	Federal								
351.03	Highway and Streets			-					
351.09									•
351.99	All Other Federal Grants							<u>.,</u>	
352.08	National Forest Products							.,	1
352.99	All Other Federal Shared Revenues and Entitlements							<b>w</b>	
353.00	353.00 Federal Payments in Lieu of Taxes			-			-	**	1
	Total Federal	•		±s-	55		•	<u>"</u>	•
						•	•		

State   Stat				Statemen	Statement of Revenues and Expenditures	and Expenditu	Ires			
Revenues         State         Carenal Fund         Special Revenue         Capazal Properts         Capaza				Governme	intal Funds		Propriet	ary Funds	Fiduciary Fund	Total
State		Revenues	General Rund	Special Revenue (Including State	Capital Projects	Debt Sente	Enterprise	Intornal Service	Trust and Agency	Menorardum Only
Highway and Streets		State		TO DE LANGE						
Community Development   \$ 266	354.03	Highway and Streets								4
Public Utility Reality Tax   \$ 266	354.09	Community Development								4,500
Motor Vehicle Fuel Tax     General Municipal Pension System State Aid   \$ 5,526     Alcoholic Beverages Taxes/Beverage Licenses   \$ 300     Recycling/Act 101     Recycling/Act 101     Recycling/Act 101     All Other Shared Revenues and Entitlements   \$ 6,635     State Payments in Leu of Taxes   Total State c⟩   \$ 16,771   \$ 41,156   \$	355.01	Public Utility Realty Tax	366							50
Schretal Municipal Pension System State Add   \$ 5,226     Alcoholic Beverages Taxes/Beverage Licenses   \$ 300     Recycling/Act 101     All Other Shared Revenues and Entitlements   \$ 6,635     State Payments in Leu of Taxes   \$ 16,771   \$ 41,156   \$ - \$     Highway and Streets   All Other Local Governmental Unit Grants     Local Governmental Unit Payments in Lieu of Taxes     Local Governmental Unit Payments in Lieu of Taxes     Local Governmental Units   \$ + + + + + + + + + + + + + + + + + +	355.02	Motor Vehicle Fuel Tax								\$ 266
Aicoholic Beverages Taxes/Peverage Licenses   \$ 300     Recycling/Act 101     All Other Shared Revenues and Entitlements   \$ 6,635     State Payments in Leu of Taxes   \$ 16,771   \$ 41,156   \$	355.06	1	1 1 1 1 1							·
According Legal 953   According 1953   According Legal 953   According 1953	355 08	Т	0000							\$ 5,526
Nocycling and Entitlements   \$ 6,635   State Payments in Lieu of Taxes   State Payments in Lieu of Taxes   16,771   \$ 41,156   \$ - \$	255.00	Т	200							\$ 300
All Other Shared Revenues and Entitlements   \$ 6,635     State Peyments in Leu of Taxes   \$ 16,771   \$ 41,156   \$     Local Governmental Units   Highway and Streets   All Other Local Governments   Unit Payments in Lieu of Taxes   Local Governmental Units each   \$		Т								49
State Payments in Leu of Taxes   16,771   \$ 41,156   \$     Local Governmental Units   16,771   \$ 41,156   \$     Local Governmental Unit Garts   16,771   \$ 41,156   \$     Highway and Streets   1     Local Governmental Unit Payments in Lieu of Taxes   1     Total Local Governmental Units □   \$     Total Cocal Governmental	322.99	П	\$ 6,635							4
Total State c   \$ 16,771   \$ 41,156   \$   - \$	356.00	State Payments in Lieu of Taxes								co'o
Local Governmental Units Highway and Streets All Other Local Governmental Unit Grants Local Governmental Unit Payments in Lieu of Taxes  Total Local Governmental Units ⊏> \$ . \$		Total State 🗘	\$ 16,771			5				*
Highway and Streets All Other Local Governmental Unit Grants Local Governmental Unites □ of Taxes  Total Local Governmental Unites □ \$ . \$ \$		Local Governmental Units								1761/5
All Other Local Governmental Unit Grants  Local Governmental Unit Payments in Lieu of Taxes  Total Local Governmental Units c) \$ . \$ . \$	357.03									
Local Governmental Unit Payments in Lieu of Taxes  Total Local Governmental Units 🖒 💲	357.99	All Other Local Governmental Unit Grants								
1 10 10 10 10 10 10 10 10 10 10 10 10 10	353.00	Local Governmental Unit Payments in Lieu of Taxes								
		Total Incal Consummental Unite of								·
		Total model cover minerical critics -	-				₩.	·	· ·	·

361.00 General Government							
	*	120		-			
362.00 Public Safety	+	620'6					<b>6</b> •
363.20 Parking/Parking Meters, Permits							5 6,039
363.99 All Other Charges for Highway & Street Services							<b>50</b>
364.10 Wastewater/Sewage							<b>L</b> O- →
364.30 Solid Waste Collection/Trash	L						<b>19</b>
364.60 Host Municipality Fee for Solid Waste Facility							Α.
364.99 Other Charges for Sanitation Services							in .
365.00 Health							4
367.00 Culture and Recreation	-			İ			<b>S</b>
378.00 Water System							<i>7</i>
379.00 Other Charges for Service							<b>⊌</b> 7- 4
Total Charges for Services ⇔	*	9,159 \$	•	1	•	4	

Total Intergovernmental Revenues

		Γ	·T	1	82	82	1		Γ	•	•	٠	•
		ı							l				
		ŀ	-	<u>,</u>		-			ŀ	φ.	ın .	4	49
									l				
									l				
		ŀ	+	$\dagger$	1	***			ŀ	t	$\dagger$	+	
		l			ĺ								
									۱				
		ŀ	$\dagger$	+	+	,			$\frac{1}{2}$	+	t	$\dagger$	
		l							l				
		l		l		,							
		ŀ	+	t	1	-			ŀ	l	t	t	
		١							l				
									l	l			
		l	T	İ	1	•			ľ	İ	T	T	
						l							ĺ
						<b></b>							
		r			T	•			F	Ī	Ī	T	1
			i			ı						l	
			!			ın.							
		ļ		82	٤	79				ĺ		Ī	1
				₩.		^							
			ctors		1	]						¥	1
	78		Contributions and Donations from Private Sectors		Total Miccollangue Demonstor			_	Proceeds of General Fixed Asset Distribution		  *	Proceeds of Tax and Revenue Anticipation Notes	
	Miscellaneous Revenues		Ins from F	venues	d privo			Other Financing Sources	Asset Dis	fers	Proceeds of General Long Term Debt	nie Antir	
	ous Re	ents	d Donatk	aneous Re	the land	2000		ndng !	eral Flxed	ting Trans	eral Lonc	and Reve	,
	cellane	Special Assessments	utions an	All Other Miscellaneous Revenues	Ata Mil			er Fina	Is of Gen	Interfund Operating Transfers	ls of Gen	ts of Tax	ŀ
	Mis	Special		All Oth	٩			фo		Interfu	Procee		
		383.00	387.00	389.00					391.00	392.00	393.00	394.00	20.100
١				L	ı			П		1	1	ı	1

	Total	Menthandenn Uniy
	Fiduciary Fund	Trust and Agency
	Proprietary Funds	Internal Servoe
ures	Propriet	Bheyrise
and Expendit		Dabt Service
nt of Revenues and Expe	Governmental Funds	Capital Projects
Statement	Соменте	Speciel Reseave (Transport State (Author Freeze)
		General Fund
		Revenues

20 m P. \*

	Total Revenues	\$ 20.	202,864 \$	41,841		157	\$ -	45	*	*	344 705
								-			CU/,FT2
	Expenditures										
	General Government										
400.00	Legistative/Governing Body	\$	15,516		!				-		
401.00									-	ا م	15,516
402.00										ss -	1
403.00	Tax Collection	\$	1,797							<b>UT</b>	1
404.00	Sollcttor/Legal Services		3,692							60	1,797
405.00	Secretary/Clerk	\$ 16	18,437					1		w ·	3,692
406.00	Other General Government Administration		7,437							w -	18,437
408.00	Engineering Services									<b>64</b>	7,437
409.00	General Government Buildings and Plant		7,792							<del>55</del> 1	'
	Total General Government 🗅	*	54,671 \$			₩.	5	+57		# +	767,
										•	7/0/1

	Public Safety							
410.00	Police	\$ 76.171						
411.00	Fire	090'6 \$						\$ 76,171
412.00	Ambulance/Rescue	\$ 134						2090'6
413.00	Protective Inspection	\$ 10.950						\$ 134
414.00		\$ 6.063						\$ 10,950
415.00	Emergency Management	1 000						\$ 6,063
419,00	Other Public Safety	and the second						1,000
	Total Dablic Calobi	4						-
	The American Comment of the I	\$ 87E'50T +		*	₩.	- *	-	\$ 103,378

	Health and Human Services							
420.00	420.00 Health and Human Services	\$ 40	401					_
						<i>i</i>	401	
	Public Works - Sanitation							
426.00	426.00 Recycling Collection and Disposal			-				_
427.00	427.00 Solid Waste Collection and Disposal	16	161					
429.00	Wastewater/Sewane Collection and Treatment					*	161	
	The state of the s					49	1	

CV 0C7	420 M3 Machinester/Common Collection and Treatment							*	TOT
20.02	magazinami/ sewage collection and medicine							•	Ī
	Total Public Works - Sanitation C.	401						^	
	A TOMORNO MANAGEMENT AND A STREET		^	*	\$ -	47	<del>- 101</del>	49	161
P	Public Works - Highways and Streets								
430.00	430.00 General Services								
431.00	Cleaning of Streets							<b>S</b>	1
432.00	Winter Maintenance							55	•
433.00	433.00 Traffic Control Devices	1,540						<u></u>	
434.00	434.00 Street Lighting		\$ 695					4	1,540
435.00	435.00 Sidewalks and Crosswalks							4	692
436.00	436.00 Storm Sewers and Chains							4	1
437.00	437.00 Renairs of Tools and Machinem							¢A-	•

			Statement	Statement of Revenues and Expenditures	and Expenditu	res			
			Governmental Funds	tal Funds		Proprietary Funds	ry Funds	Fiduciary Fund	Total
			The state of the s	The second secon	Andrew State of the State of th			lype	
	Revenues	Ceneral Func	Jacket revenue (Including State (Acad Pank)	Capital Projects	Deht Service	Ellerpinse	Internal Service	Sust and Ayency	Memsandun Onto
438.00	Road and Bridge Maintenance	\$ 151.336	\$ 53.543						
439.00	Construction and Rehuilding Brotects								\$ 204,879
									-
FORM PE	DIEC WORKS - HIGHWAYS AND SCHOOLS IN	\$ 152,876	\$ 54,238		•		*	•	\$ 207 114
									177/102

24 - 1 - 1 2

451.00 Recreation         Recreation         451.00 Parks         Recreation         \$           455.00 Parks         Shade Trees         \$         \$           456.00 Libraries         Senior Obtaviors         \$         \$           459.00 Chiral Culture and Recreation         \$         10,640         \$         \$           459.01 Chiral Culture and Recreation         \$         10,640         \$         \$         \$		Culture and Recreation								
Parks   Shade Trees   Shall Culture and Recreation 12,540   Shade Trees   Shade Tree	451.00	Recreation			_					
Shade Trees  Libraries Sentor Olizen Centers Other Culture and Recreation □ \$ 10,640 \$ . \$ . \$ . \$	454.00	Parks							*	
Libraries   Sentor Citizen Centers   Sentor Citizen Centers   Sentor Citizen Centers   \$ 10,640   \$ - \$ - \$ - \$ - \$	455.00								₩.	
Senior Citizen Centers   \$ 10,640   \$ 10,640   \$ - \$ - \$ - \$ - \$ - \$	456.00	Ubraries							4	
Other Culture and Recreation (\$ 10,640 \$ - \$ - \$ - \$	458.00	Senior Citizen Centers							<b>.</b> ,	
Total Culture and Recreation 🔾 💲 10,640 💲 💲 💲	459.00		10,54						<u>., </u>	
* * * * * * * * * * * * * * * * * * *		Total Culture and Recreation	v						₽>	10,640
			,	^	<u>*</u>	-	\$	* : *	<del>**</del>	10,640

461.00         Community Development           462.00         Conservation of Natural Resources           462.00         Community Development and Housing           465.00         Economic Development and Assistance           465.00         Economic Opportunity           468.00         Other Community Development           468.00         Other Community Development           458.00         Other Community Development           458.00         Other Community Development			**	*	•	\$	**	\$ .
Resolution And And And And And And And And And An								-   \$   -
Resolution And And And And And And And And And An								4-
Resolution And And And And And And And And And An							,	*
	Community Development	Conservation of Natural Resources	462.00 Community Development and Housing	Economic Development and Assistance	Economic Opportunity	Other Commission Development	Total Community Daystonart 1	to a second potential of the

	Debt Service								
471.00	Debt Principal	\$ 8,665							
472.00	472.00 Debt Interest							65	8,665
473.00	Tax Anticipation Note/Principal							44	•
474.00	Tax Anticipation Note/Intersect							44	1
475.00								*	•
	Total Bult Candra I	4	,					**	ŧ
		: poo'e	*	67-	₩	ts.	<del>\$3</del>	<del>\$</del>	8,665

	•
Miscellaneous Expenditures	481.00 Intergovernmental Expenditures

			Statemen	Statement of Revenues and Expenditures	and Expenditu	res	i	i	
			Governme	Governmental Funds		Proprietz	Proprietary Funds	Fiduciary Fund Type	Total
	Revenues	General Fund	Special Revenue (Incheding State	Capital Projects	Debt Service	Entarjanse	Internal Service	Trust and Agency	Menusandun Only
482.00	Judgments and Losses								
483.00	Pension/Retirement Fund Contributions								*
484.00	Workers Compensation	\$ 5,522							1000
485.00	Unemployment Compensation	\$ 1,468							1 450
486.00	Insurance Premiums	998'6 \$							4 0 PEE
487.00	Employee Benefits Not Allocated to Specific Functions								000's
489.00	Other Miscellaneous Expenditures	\$ 20							000
	Total Miscellaneous Expenditures 🖒	\$ 16,876	*	·	**	·	·		\$ 16.876

(157,201)	- \$	\$   -	<del>\$7</del>	\$ -	\$-	(12,397)  \$	(144,804)  \$	Excess/Deficit of Revenues Over Expenditures   \$
200/-								
401.906	\$	-	\$	<del>55</del>	1	54,238   \$	347,668   \$	Total Expenditures \$
	,	*	<del>- €5</del>	+5-	-	-	\$ -	Total Other Financing Uses 🗘 💲
1	45							493.00 Other Financing Uses
•	45							122.00 Intertuna Operating transfers
•	^							
	-							491.00 Refunds of Prior Year Revenues

·		Debt State	ement		
[] List Each Issue or Loan []	Year of Issue	Original Amount Of Issue	Outstanding January 1 <sup>st</sup> or Issued During Year	Principal Paid During Year	Principal Oustanding December 31 <sup>st</sup>
General Obligation Bonds and Notes					
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
Revenue Bonds and Notes			<u></u>		
					\$
					\$
					\$
					\$
					\$
Lease Rental Debt					
003 Ford Police Car	2002	\$ 24,451	\$ 24,451	\$ 8,665	
					\$
					\$
					\$
Tax and Revenue Anticipation Notes					.\$
NOUS					
					\$
					\$
					\$
					\$
Office					\$
Other					
					\$
					\$
					\$
					\$

an este s

Statement of Capital Expenditures						
Category	Capital Purchase	s	Capital Construction	Total		
Electric .				\$ -		
Fire				\$ -		
Gas System				\$ -		
General Government				\$ -		
Health				\$ -		
Housing				\$ -		
Libraries				\$ -		
Mass Transit				\$ -		
Parks				\$ -		
Police	\$ 24,	451		\$ 24,451		
Sewer				\$ -		
Solid Waste				\$ -		
Streets/Highways	\$ 7,	776 \$	101,989	\$ 109,765		
Water				\$ -		
Other (Please specify)	\$	- \$	4,969	\$ 4,969		
Salt Shed		\$		\$ 4,969		
				\$ -		
				\$ -		
				\$ -		
				\$ -		
				\$ -		
				\$ -		
				\$ -		
				\$ -		
				\$ -		

#### Tax Rates, Census and Other Information

Assessed Value of Real Estate as of December 31st	\$	24,983,528
	7	= :/5 00/5 = 0

#### Tax Rate:

General Purposes Debt Purposes All Other Purposes 1.20000 Mills
- Mills
- Mills

Total

1.20000 Mills

#### **Employee Compensation**

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)
\* USE INCOME FROM W-3 STATEMENT

\$ 112,784

**Total Capital Expenditures** 

139,185

\$

## **Elected Controller's/Auditor's Certified Opinion**

Governing Body of the County
President Judge of the Court of Common Pleas
Secretary of the Department of Community and Economic Development

We, \* the undersigned, the duly elected ( or appointed replacement ), qualified, and acting controller / auditors\* of the TOWNSHIP of LIBERTY have audited, adjusted, and settled the various funds and account groups of the TOWNSHIP of LIBERTY for the year ended December 31, 2002. \*\*\* Our\* audit, adjustment, and settlement was made in accordance with law rather than with generally accepted auditing standards.

(PLEASE CROSS OUT ONLY IF ON MODIFIED ACCRUAL/ACCRUAL BASIS)

This municipality's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenues and the retaled assets are recognized when received rather than when earned, and certain expenditures or expenses are recognized when paid rather than when a liability is incurred. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations of this municipality in conformity with generally accepted accounting principles.

These financial statements do not include all of the disclosures required by generally accepted accounting principles.

In the property of the financial statements present the financial position of the various funds and account groups of the TOWNSHIP of LIBERTY at December 31, 2002, and the results of operations of such funds for the year then ended in accordance with the law.

Signed: Savora Solvers

Gentroller / Auditor\*

Subscribed and sworn to before

Me this \_\_\_\_ day of

Signed: Om

(SEAL)

Notarial Seal
Tammy S. Prosser, Notary Public
South Middleton Twp., Cumberland County
My Commission Expires Oct. 25, 2003

Independent PA's and CPA's may submit their own opinion in lieu of this page.

\*Cross out One

#### MUNICIPAL FILING INFORMATION

Any local government which files its financial information with the Department of Community and Economic Development, as required by section 1003 of the Act of June 24, 1931 (P.L. 1206, No. 331), reenacted and amended on May 27, 1949 (P.L. 1955, No. 569), as amended; section 904 of the Act of May 1, 1933 (P.L. 103, No. 69), reeanacted and amended on November 9, 1995 (P.L. 350, No. 60), as amended; section 1812 of the Act of June 23, 1931 (P.L. 932, No. 317), reeanacted and amended on June 28, 1951 (P.L. 662, No. 164), as amended; section 1041 of the Act of February 1, 1966 (1965 P.L. 1656, No. 581), as amended; or other applicable statute, in an electronic format shall be deemed by the Department of Community and Economic Development to have complied with any requirements that such information be signed and verified by oath.

REAL_ES1	1.2	
EARNED_I	0.5	
OCCUPAT	0	
REALTY_1	0.5	
OCCUPAT	0	
PER_CAPI	5	
RESIDENC	0	
MERC_BP	0	
AMUSEME	10	
MECHANIC	0	
OTHER1_DESC		0
OTHER2_DESC		0
OTHER3_DESC		0
OTHER4_DESC		0
OTHER5_DESC		0
OTHER6_DESC		0

## AUDIT REPORT 2002 LIBERTY TOWNSHIP, ADAMS COUNTY, PA

	<b>GENERAL FUND</b>	LIQUID FUELS
Beginning Balance 1/1/02	\$179,243	\$20,644
REVENUES Taxes	155,451	0
Licenses and Permits	4,332	0
Fines and Forfeits	13,116	0
Interest	3,953	685
State Revenue	16,771	41,156
Charges for Services	9,159	0
Miscellaneous	82	0
TOTAL	<u>202,864</u>	41,841
EXPENDITURES General Government	53,706	0
Public Safety	112,043	0
Health and Human Services	401	0
Public Works -Highways and Streets Culture and Recreation	153,037 10,640	54,238 0
Total Miscellaneous	17,841	0
TOTAL	<u>347,668</u>	<u>54,238</u>
BALANCE 12/31/01	<u>\$34,439</u>	<u>\$8,247</u>

Auditors: Sandra Schultz, Nanette Hatzes, and Linda Sites



Board of Supervisors Liberty Township 39 Topper Rd. Fairfield, PA 17320

February 3, 2003

Supervisors;

Upon auditing the financial records of Liberty Township we, the Board of Auditors, have a few issues we would like the Supervisors and/or Secretary/Treasurer to address:

The bookkeeping process was found to be accurate with no material misstatements. The introduction of QuickBooks was an excellent choice. This software provides integrity to the numbers and provides superior reporting capability. We recommend the continued use of this product and would like to see the Township move to pre-numbered laser checks to eliminate the double bookkeeping process that occurs with this system while maintaining a manual checkbook. We also request that the PLGIT accounts be added to this system.

We feel that the township would benefit from improved internal controls. Currently, there are no written policies or procedures. This leaves the Township vulnerable to embezzlement and theft. Therefore, we recommend that the Township Supervisors make this a priority and develop a comprehensive internal controls policy and procedure that will cover operations of the Township. We suggest the Roadmaster's timesheet be signed by a Supervisor other than himself to provide greater internal control. Through the information gathering process, it appears that the Roadmaster is the only job that submits a timesheet with no supervisory approval.

Purchases other than usual and customary should be discussed at the Supervisors meeting prior to purchase and recorded with a vote in the minutes of the meeting. The practice of approving invoices after they have been paid is problematic. If the Board disagrees with expenditures, short of returning the item(s) if possible, the public is then void of the funds. There needs to be some thought and planning in the spending process to allow for accurate budgeting and cash flow management.

The addition of the Township building did not follow Second Class Township Code 3102, 3104, 3105, 3107, and 3108. No documentation other than invoices was available for inspection.

The Board of Auditors thanks the Board of Supervisors for taking the time and effort necessary for these issues to be resolved. We look forward to working on future audits in conjunction with the Board of Supervisors and the Secretary/Treasurer for the betterment of the Township.

Sincerely, Board of Auditors Sandra L. J. Schultz, Chair Nanette Hatzes, Secretary

## 2002 Management Letter Liberty Township Adams County, PA



We did have questions about a number of items, which are delineated below:

- A Jackhammer was purchased for a total of \$7,776.26. This is above the above the limit
  according to township code 3102 and should have been put out for a phone bid, at the very
  least. According to township code, there should be at least qualified and responsible
  contractors who respond to a phone bid. No record of phone bids was recorded in the minutes
  or anywhere else.
- The same applies to the construction of the salt shed. Cost of the salt shed was \$4,969. This is over the \$4,000 limit established in the Township Code mentioned above. This also should have been put out to a phone bid process, at minimum, which was told to a supervisor in the presence of the Secretary/Treasurer, by the contact from the state that came to review the project.
- Another issue involved the processing of payroll in QuickBooks. In 2002 the net payroll was recorded as an expense and the difference between the gross and net payroll was recorded as a liability. We suggest that a procedure be established that records payroll expense at the correct amount and withholdings be shown as a liability until the withholdings are remitted to the proper taxing authorities. This processing issue did not affect anybody's actual pay; it is a record keeping issue only.
- A W-3 was not produced.
- Another procedural violation involved the township contracting services from Charlie Alexander for installation and purchase of a water softener, which cost \$1,870.44. This is a violation of township code 3102, which limits the amount of compensation that can be paid to a supervisor themselves for work other than supervisory duties.

We would like to commend the township supervisors and solicitor for leasing the 2003 Crown Victoria police vehicle instead of paying in full. This was a wise management of township funds.

Respectfully Submitted,

Sandie Schultz, Chairperson Nanette Hatzes, Secretary